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USDOC FOR 532/OEA/MHAMES/DMUSLU  
USDOC FOR 3150/USFCS/OIO/CEENIS/MCOSTA  
USDOC FOR 532/OEE/MO'BRIEN  
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E.O. 12958: N/A

TAGS: BEXP ETRD ETTC RS

SUBJECT: EXTRANCHECK: PRE-LICENSE CHECK:  
ELEKTRONEFTEMASH, MOSCOW, RUSSIA, LICENSE NO. D363343

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

¶2. Reftel requested a Pre-license check to determine the legitimacy and reliability of the end-user, Elektroneftemash, Moscow, Russia. The company is listed on BIS license application D363343 as the ultimate consignee of apical type polyimide film. These items are controlled for national security reasons under ECCN 1C008. The licensee is Mitsui and Co. Inc., 200 Park Avenue 31st floor, New York, NY 10166.

¶3. On October 2, 2006, Export Control Attaché Donald Pearce and FSN Natalya Shipitsina conducted the requested pre-license check at the offices of Elektroneftemash (ENM), 12, Krasnokazarmennaya st., Moscow, Russia. The export control team met with Mikhail A. Karakhanyan, General Director.

¶4. ENM was founded in 2000 to conduct scientific research and production of specialized electrical equipment for use in the oil and gas industry. The company was established by a group of specialists with 25 to 30 years of experience in the field. The company is co-located with the oldest "All-Russian Electro technical Center" in Russia. ENM employs 57, and last year showed profits of 5,000,000 USD. The company is also involved in electro technical research projects, with a PhD-level researcher and five candidates for PhD level degrees on staff.

¶5. ENM specializes in the production of coil wire, Teflon tubing and connectors for use in electromechanical pumps used in oil and gas drilling and extraction. The company produces 250 tons per year of the copper coil wire, which accounts for a third of the Russian market for the wire. In addition, it has half the Russian market for Teflon tubing. The cables, tubes and connectors are specific to the types of pumps used in Russian equipment, which is built for use in cold climates.

¶6. The polyimide film in reftel will be used as the insulator for the copper coil wire. Although there is one manufacturer of polyimide film in Russia, the quality is not high enough for use in the extreme conditions found in oil and gas extraction operations. The company meets regularly with its foreign suppliers to discuss projects and supply requests. The coil wires have no dual uses, and are specific to the Russian system. This type of pump is not used anywhere outside of Russia. ENM does not export, and

has no foreign customers.

¶ 7. Recommendations: Post recommends Elekrtoneftemash, Moscow, Russia, as reliable recipients of sensitive U.S. origin commodities. It is requested that post be notified of final disposition of the application, and of any shipments for this organization in order to conduct appropriate FCS follow-up and statistical reporting.

(FCS MOSCOW/SBOZEK/DPEARCE)  
BURNS